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PUBLIC UTILITIES  
COMMISSION

The Honorable Chairman and Members of the  
Public Utilities Commission of the State of Hawaii  
465 South King Street, First Floor  
Honolulu, Hawaii 96813

Dean Commissioners:

Subject: Docket No. 2008-0303  
Advanced Metering Infrastructure – Request to Extend Hearing Dates

Hawaiian Electric Company, Inc., Maui Electric Company, Limited and Hawaii Electric Light Company, Inc. (the "Hawaiian Electric Companies" or "Companies") respectfully request that the Commission extend the dates of the prehearing conference and evidentiary hearing for the Advanced Metering Infrastructure ("AMI") proceeding as shown below:

Procedural Step	Current Date <sup>1</sup>	Proposed Date
Prehearing Conference	Week of September 21, 2009, subject to the call of the Commission	Week of June 14, 2010, subject to the call of the Commission
Evidentiary Hearing	Week of September 28, 2009, subject to the call of the Commission	Week of June 21, 2010, subject to the call of the Commission

As explained below, certain developments in the Smart Grid, Customer Information System ("CIS") and Cyber-Security areas make it beneficial for the AMI hearings to be delayed to June 2010.

The delay will allow the Hawaiian Electric Companies to provide information on their Smart Grid Roadmaps, and how the proposed AMI will facilitate the roadmaps. The additional time will also allow the Companies to assess the impact, if any, of ongoing developments with respect to their new CIS and Cyber-Security.

The Companies propose that they work with the other parties to schedule the filing of supplemental information on these subjects, with the opportunity for the parties and the Commission to submit

<sup>1</sup> See *Order Approving Stipulated Procedural Order, as Modified* in Docket No. 2008-0303, issued on April 21, 2009.

additional information requests prior to the hearing.<sup>2</sup>

### Smart Grid

The American Recovery and Reinvestment Act of 2009 (Pub.L. 111-5), abbreviated ARRA, which was enacted in February 2009, has greatly accelerated the development of Smart Grid technologies.<sup>3</sup> As indicated in response to PUC-IR-4, HECO established a Smart Grid task force, initiated preliminary Smart Grid roadmapping activities, and planned to issue an RFP for competitive selection of a Smart Grid consultant. An important facet of this due diligence work by the Companies is to assess the interaction between AMI and the Smart Grid to make best use of the selected AMI technology over the long term.

The Companies do not believe that AMI should be indefinitely delayed until all the Smart Grid "answers" are known with certainty, but recognize the benefit of presenting at least the initial results of the Smart Grid roadmapping effort in this docket. The RFP is expected to be issued shortly, and the vendor deliverable for Smart Grid functionality enabled by the AMI network should be available by the end of March 2010.

Rescheduling the AMI hearing to June 2010 will provide additional time to assess the flexibility of the AMI Network to support key Smart Grid functions across the Companies.

### Customer Information System

The Hawaiian Electric Companies are currently engaged in a project to acquire and deploy a new Customer Information System ("CIS"). That project has encountered delays, which the Companies are working to remedy. Postponing the AMI regulatory hearing will enable us to determine our plans for the CIS project, which will in turn lend greater certainty to the interfaces to the future AMI infrastructure.<sup>4</sup>

### Cyber-Security

Sensus as well as other AMI vendors have been working to address critical security objectives necessary for key components of AMI and the Smart Grid; however, detailed requirements and criteria have yet to be formalized. This work has been accelerated by the requirements of the American Recovery and Reinvestment Act ("ARRA") and the cyber-security standards development by the National Institute of

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<sup>2</sup> In addition to the Hawaiian Electric Companies, the Parties in this proceeding are the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Hawaii Solar Energy Association, Hawaii Renewable Energy Alliance and Life of the Land.

<sup>3</sup> The ARRA is intended to provide a stimulus to the U.S. economy in the wake of the economic downturn. The measures, in total, are nominally worth \$787 billion. The Act includes federal tax cuts, expansion of unemployment benefits and other social welfare provisions, and domestic spending in education, health care, and infrastructure, including the energy sector. Of the \$61.3 billion targeted to the energy sector, about \$4.5 billion is for electricity delivery and energy reliability activities to modernize the electric grid, to include demand responsive equipment, enhance security and reliability of the energy infrastructure, energy storage research, development, demonstration and deployment, and facilitate recovery from disruptions to the energy supply, and for implementation of programs authorized under the smart grid provisions of Title XIII of the EISA (mostly in the form of matching grants).

<sup>4</sup> The delays and status of the implementation of the new CIS have been reported in Hawaiian Electric's 2009 test year rate case, Docket No. 2008-0083, and in the CIS docket, Docket No. 04-0268. Implementation of the CIS affects the selection and integration of the Meter Data Management System for the AMI project, as well as the timing of the Companies' ability to offer large scale time of use rate options in conjunction with the AMI project.



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Standards and Technology ("NIST") in the AMI and Smart Grid area.<sup>5</sup>

There are no specific requirement documents or applicable standards that apply directly to Advanced Metering Infrastructure systems. However, standards and documents have been developed that provide relevant guidance for establishing an appropriate security posture<sup>6</sup> including the May 2009 release of a set of cyber-security related standards and reference documents by NIST. The NIST documents included a draft set of security requirements for AMI by the AMI-SEC working group.

Due to the significant impacts that cyber-security has on the security, safety and integrity of the Companies' business operations, additional time prior to the AMI hearings would allow the Companies to more fully assess and test the existing and review the planned cyber-security features of the Sensus technology, including those related to future Smart Grid monitoring and control functions, enabled by the AMI network.

For these reasons, the Hawaiian Electric Companies respectfully request that the Commission extend the dates for the prehearing conference and the evidentiary hearing for this proceeding as specified above. The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and Life of the Land do not object to this request. The Companies are following up with the other parties in this proceeding (i.e., the Hawaii Solar Energy Association and the Hawaii Renewable Energy Alliance) on whether they also concur with this extension request.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,



(for) Darcy L. Endo-Omoto  
Vice President  
Government and Community Affairs

cc: Division of Consumer Advocacy  
Hawaii Renewable Energy Alliance  
Hawaii Solar Energy Association  
Life of the Land

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<sup>5</sup> The Federal Energy Regulatory Commission ("FERC") is responsible under Section 1305 of the Energy Independence and Security Act of 2007 ("EISA") to adopt smart-grid interoperability standards and protocols developed through the work of the NIST. FERC issued a Proposed Policy Statement and Action Plan on March 19, 2009, which was intended to provide guidance to inform the development of a smarter grid for the Nation's electric transmission system focusing on the development of key standards to achieve interoperability of smart grid devices and systems.

<sup>6</sup> For example, the draft FERC policy statement issued on March 19, 2009 lists a set of fundamental criteria for cyber security and mentions EC 62433 and NIST Special Publication 800-53.

